

12 SEP 1979

MEMORANDUM FOR: Executive Committee Members

FROM : ██████████
Secretary, Executive CommitteeSUBJECT : Minutes of Executive Committee Meeting,
30 August 1979

1. Mr. Carlucci opened the meeting, emphasizing the importance of the topic--the Office of Personnel SES Task Group's basic proposals for a CIA Senior Executive Service. (Messrs. ██████████, Zellmer, ██████████, ██████████ Fitzwater, and members of the latter's staff and SES Task Group attended as observers.)

2. Acknowledging that Committee members had not had much time to review the proposals, Mr. Carlucci explained that he wanted to move forward in the SES arena by 1 October, if possible, both to display more dynamism in the personnel area and to ensure that Agency employees could enjoy the same benefits as other Government employees. He noted several advantages of implementing an Agency system by 1 October: we would initiate the system at the same time as the rest of the Government, the timing would coincide with the beginning of the new fiscal year, and we might be able to hold down the growing number of retirements motivated by financial reasons. Mr. Carlucci asked Committee members to focus their discussion on fundamental concerns rather than details of the proposals, keeping in mind that the first year should be considered an experimental, pilot year.

3. Mr. Fitzwater underscored Mr. Carlucci's remarks about the increase in retirements related to the cost-of-living increases in retirement annuities, noting 80 supergrades have retired so far this year and many more are expected to by the end of the year. He introduced the members of the SES Task Group and complimented them on their report.

4. ██████████, Chief of the Task Group, outlined the proposals for a "CIA Senior Intelligence Service." He explained that the proposals were developed on the basis of the following premises:

a. that the Agency's system should be modeled along the general lines of the Civil Service SES System with appropriate adaptations, such as including all Agency executive-level positions (GS-16 and equivalent SPS through EP-IV) whether or not they are considered management positions;

b. that the initial start-up program should be as simple as practicable, monitored closely, and revised as warranted;

c. that a basic compensation subsystem, patterned after President Carter's SES salary range, be established even though the possibility of Congress raising the current ceiling on executive-level salaries for FY 1980 appears slim; and

d. that given the unlikelihood of Congress lifting the ceiling on executive pay, the Agency SIS performance award system should provide substantial monetary awards to recognize and serve as incentives for excellent performance.

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5. After Mr. [REDACTED] reviewed Section 1 of the proposals (name of the system, statutory authority, rationale for establishing an Agency SIS, and the scope of the SIS), Mr. McMahon suggested and Mr. [REDACTED] agreed that RMS/CTS executives should not be incorporated in the CIA SIS. The Committee agreed that RMS/CTS should administer their SIS separately while following the same standards as the CIA SIS. RMS/CTS should participate in determining general SIS policies but should not participate in discussions/recommendations relating to CIA SIS members. (Nor should CIA officials be involved in discussions/recommendations relating to RMS/CTS SIS members.) Mr. [REDACTED] noted that the funds for RMS/CTS SIS awards would come from their own appropriations. Mr. Fitzwater said the proposals could be revised to separate the RMS/CTS and CIA systems.

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6. Mr. Taylor raised the question of who should recommend performance awards for employees on rotation, the line manager whom they are working for while on rotation or their "home base" career service. He suggested that the line manager should recommend performance awards, while responsibility for recommending promotions should be retained by the employees' "home base" career services. After a discussion of this issue, Mr. Carlucci asked that the Task Group's proposals be revised to incorporate this suggestion.

7. Messrs. Dirks and Zellmer noted that the proposals eliminated the SPS category, which had been established to provide a separate career ladder for technical specialists, and questioned the wisdom of doing so. They suggested that SPS employees incorporated into the SIS be designated specialists and be evaluated competitively against each other within each directorate rather than against all SIS members across directorate lines. During the ensuing discussion, Mr. Carlucci emphasized that senior employees would not be measured against various groups of employees (i.e., specialists versus generalists) but against how well they performed their individual objectives. In the interests of keeping the pilot year program as simple as possible, he recommended against establishing a separate SIS category for SPS employees and invited Messrs. Dirks and Zellmer to dissent on this issue in their final comments on the revised proposals next week.

Noting that SPS positions currently are not included within the supergrade ceiling, Mr. Zellmer requested that the conversion to SIS be monitored carefully to ensure that SPS positions are included. Mr. Taylor said that he did not anticipate any problems in this area.

8. Mr. Ware suggested that Section II (purposes and principles) 2.f. relating to principles of equal opportunity be reworded to indicate that race, color, sex, etc., "will not have an adverse impact" on assignments, training and development, or compensation. Mr. ██████████ recommended that OGC review any revision. Mr. Zellmer suggested that the term "executive" should be replaced in this and other sections to make it clear that all senior officials, not just managers, were being incorporated into the SIS. STATINTL

9. In reviewing Section III, Subsystem 1 (management structure), the Committee agreed that the proposed Senior Intelligence Service Advisory Committee should be eliminated. Mr. Carlucci said that the proposed SIS Support Staff reporting directly to the Director of Personnel, who, in turn, would advise him, would be an adequate advisory channel. The necessity of removing the Intelligence Community representative from the proposed Performance Review Committee (PRC) and other SIS related boards was noted. The remaining discussion of the PRC centered on the considerable time that it will need to spend reviewing personnel actions for ██████████ people (Mr. ██████████ and Mr. McMahon), the anomaly of having associate deputy directors on the PRC reviewing the decisions of the deputy directors (Mr. Taylor and Mr. Dirks), and the blurring of accountability for recommendations and decisions as they pass through the proposed levels of review (Mr. Taylor). Mr. Carlucci acknowledged that extensive work was inherent in the SES system and suggested that the PRC would probably focus its attention on the lower end of the list of those recommended for awards--probably no more than 30-40 people. STATINTL

10. In highlighting the proposed Senior Resources Boards, Mr. ██████████ noted that the executive development programs they are to administer were designed in response to the NAPA Report recommendation to broaden the concept of executive development in the Agency. Mr. Carlucci observed that the most difficult decisions to be made will be how to allocate performance awards among the various SIS ranks. He asked if the Task Group envisioned the DDCI/DCI making these decisions with the advice of the Director of Personnel. Mr. ██████████ recommended that ratios be established for the first year. Once we have some experience with the system, senior managers can reconsider the distribution. Mr. Fitzwater said that the SIS Support Staff under his direction could work with the Comptroller in providing recommendations to the DDCI and the O/DDCI Senior Resources Board. Mr. Zellmer noted that the Director of Personnel was the Executive Secretary of the latter Board and a member of the PRC and suggested his status in both these entities should be the same. Mr. Carlucci asked the Task Group to consider this point. In response to Mr. Taylor's question, Mr. Carlucci said that Committee members would have an opportunity to review a revised version of the SIS proposals. STATINTL

STATINTL 11. Mr. ██████ reviewed the proposed SIS membership system (Section III, Subsystem 2), confirming that all individuals currently holding supergrade, SPS, and EP V-IV rank will be offered membership in the SIS. It will take a year to determine whether or not an SIS member will receive a performance award. Mr. ██████ explained the options for converting supergrade, SPS, and EP V and IV positions into SIS 1-6 positions (Section III, Subsystem 4). In response to questions and comments, STATINTL Mr. ██████ said that without a change in the pay ceiling, the salary levels of SIS-2s through SIS-5s would be the same. He advocated establishing a pay structure that would be appropriate if the ceiling were raised, however. Mr. McMahon asked that senior case officers and NOCs be included in the proposed conversion table on page 26.

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STATINTL 12. Emphasizing the importance of the performance appraisal (Section III, Subsystem 4) to the SIS, Mr. ██████ said that the new Agency performance appraisal report (PAR) scheduled to be introduced in October meets the requirements of the Civil Service SES system. A supplement will be required to the Annual Work Plan, however, to specify the objectives of individual SIS members and spell out the consequences of not meeting those objectives. In response to Mr. Taylor's question, Mr. ██████ explained that the PAR would be used to determine both performance awards and promotions and that the Senior Resources Board would make the decisions on both. Mr. ██████ noted that the uniform promotion system would be retained, but the performance appraisal reporting period for SIS members may be shifted to coincide with the fiscal year. Mr. Taylor noted the possibility of having two different documents for awards and promotions, and Mr. Fitzwater said that his office might make some proposals in this area. Mr. McMahon expressed concern that if objectives for SIS members were too detailed, members would have no flexibility to adjust to unforeseen situations. Mr. Carlucci said that he hoped the objectives could strike a balance between the extremes of being too general or too specific.

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13. Mr. Fitzwater raised the question of whether or not a recommendation for a performance award should be included in the performance appraisal. Messrs. Zellmer, Hicks, and Taylor, noting that the initial recommendation was only part of the process, favored not informing the employee until and unless a favorable decision was reached. Mr. Ware countered that personnel actions should not be secret, noting that a recommendation was not a commitment. Mr. Wortman expressed skepticism about whether or not an incentive system like the SIS was appropriate for people in public service. He, therefore, advocated being pragmatic during the first trial year and initially retaining confidentiality of decisions and recommendations. After some experience with SIS, that decision could be reversed, if appropriate. Mr. Carlucci said that in principle he was opposed to secrecy in personnel actions, but given the experimental nature of the Agency's first year with SIS, he agreed not to include award recommendations in performance appraisals. Mr. Ware suggested that if the performance appraisal report is not to be the sole basis for granting performance awards and promotions, the SIS proposals should specify what else will be considered. Mr. Zellmer recommended that the comparative level of difficulty of the job should be considered.

Mr. McMahon noted that the judgment of senior reviewing officials should also be a factor.

STATINTL 14. Mr. [REDACTED] explained the rationale for the executive development program outlined in Section III, Subsystem 7 of the SIS proposals. Mr. Taylor observed that the proposals leave room for refining the program at a later date and cautioned the Committee against missing the opportunity to shape the program. He suggested that if a promotion system were designed based on the principle that in order to be promoted to "x" level, employees would be required to have had "y" experience, a viable executive development program would emerge. Mr. Carlucci noted that he and the DCI had some views on executive development that they wanted to incorporate in the proposed program at some point. Mr. [REDACTED] highlighted the remaining sections of the proposals on adverse actions, evaluation, and publicity.

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15. Mr. Carlucci asked the Task Group to classify their proposals because of the personnel and budgetary information they contained. He also requested that the proposals be revised to incorporate the suggestions made during the session and be redistributed to Committee members as soon as possible. Members should submit any comments to the DDCI by 7 September 1979. Mr. Carlucci adjourned the meeting.

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cc: ✓ D/Personnel
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STATINTL Mr. [REDACTED]
Mr. Zellmer

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